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CNO T&E Cost Reduction Initiative Executive Committee Briefing

Program Risk Management
Working Group

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PRM WG Charter

- Examine practices, procedures, processes, and available tools utilized in the Program Management and Risk Management areas to identify *specific* T&E cost savings solutions

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Methodology

- ✓ 1. Identify potential cost drivers
- ✓ 2. Assemble list of PRM questions
- 3. Conduct case study of recent programs
- 4. Associate costs with PRM data
- 5. Identify potential solutions
- 6. Quantify cost savings of solution(s)
- 7. Identify timeframe for solution(s)



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PRM Cost Drivers

- Non-standardized RM processes
- Ineffective RM tools
- Poor RM information sharing
- Unanticipated/downplayed technical challenges (improperly classified risks)
- Ineffective training for risk managers
- Inadequate participation in RM process
- Proprietary barriers to industry communication

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PRM Cost Drivers (cont.)

- Ineffective Risk Mitigation process
- Non-optimal risk review/update cycles
- T&E lessons learned not fed back into RM process
- TEMP resources mismatch with POR funding level
- Poor tracking of actuals versus planned
- Lack of predictable funding stream
- T&E budget raided to pay bills



PRM Cost Drivers (cont.)

- Schedule “plans for success”
- Unbudgeted time/effort to meet additional DOT&E requirements
- PM failure to broadcast early problems due to perception of cancellation risk



Sample PRM Questions

- Was there a documented risk management plan/process? Was your RM process standardized across other programs? Was it derived from specific Navy, DoD, or DAU instructions/guidance? Did you develop your own process or did you use your contractor's RM process as a best business practice?
- If the program funding was externally reduced, how did this impact overall program risk and success? How many times was funding reduced or increased from program initiation to the FRP decision?



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PROGRAM RISK MANAGEMENT WORKING GROUP “ROADMAP”

Action Item	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Finalize List of “Questions”										
Distribute Questions										
Finalize Roadmap										
Conduct Program Survey		19th								
Review Survey Responses										
Conduct Follow-up Interviews										
Review Previous Studies										
Review Sister-Service Processes										
Identify Potential Solutions										
Associate Solutions with Costs										
Finalize Recommendations										
Generate Final Report										
Notional Group Meetings										
Release Findings										

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PRM Tasks

OBJECTIVE	Ease of Exec	Responsibility
Quantitative Data Collection ⁽¹⁾	M	Cost WG
Conduct Program Survey ⁽²⁾	M	Cost WG
Review Survey Responses	H	PRM WG
Conduct Follow-up Interviews	M	Whitehead
Review Previous Studies	M	PRM WG
Review Sister Service Processes	H	PRM WG
Identify Potential Solutions	H	PRM WG
Associate Costs with Solutions	H	PRM, Cost WG
Finalize Recommendations	M	PRM WG
Notes: (1) Final Report Resource Cost Questions and BLI Review (2) Based on PRM Questions	M	PRM WG

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